

## FIRST DIVISION

[ G.R. No. 120150, March 27, 2000 ]

**ADRIAN DE LA PAZ, PETITIONER, VS. COURT OF APPEALS,  
PILIPINAS SHELL PETROLEUM CORPORATION, CALTEX  
(PHILIPPINES) INC., MOBIL OIL PHILIPPINES, INC. AND  
PETRON CORPORATION, RESPONDENTS.**

### D E C I S I O N

**YNARES-SANTIAGO, J.:**

Petitioner Adrian de la Paz is a holder of Letter of Patent No.14132 issued by the Patent Office on February 27, 1981 for his alleged invention, Coco-diesel fuel for diesel engines and its manufacture. On March 7, 1983, petitioner filed a complaint with the Regional Trial Court of Olongapo City, Branch LXII, for infringement of patent with prayer for payment of reasonable compensation and for damages against respondents Pilipinas Shell Petroleum Corp., Caltex (Phils.), Mobil Oil Philippines Inc. and Petrophil Corporation. There was no mention in the complaint of the amount of damages being claimed but petitioner alleged that the conservative estimate of the combined gross sales of his invention by respondents is P934,213,780.00 annually computed at the rate of 20 million barrels being sold yearly by the marketing arms of respondents at the price of P2.938 per liter. At the hearing on November 13, 1984, petitioner estimated the yearly royalty due him from respondents to be P236,572,350.00.

At the hearing on February 19, 1985, respondents discovered that petitioner paid only P252.00 as filing fee based on his claim for attorney's fees in the sum of P200,000.00. Respondents orally moved for dismissal of the complaint for failure of petitioner to pay the correct filing fee. The trial court denied respondents' motion to dismiss and ordered petitioner to pay the additional docket fee in the sum of P945,636.90, computed at P4.00 per P1,000.00 in excess of the first P150,000.00 based on P236,572,350.00, the amount petitioner seeks to recover.

On July 31, 1985, petitioner filed a motion for reconsideration of the order requiring him to pay an additional docket fee. This was opposed by respondents. The trial court, however, issued an order allowing petitioner to pay the required additional docket fee after the termination of the case, to be deducted from whatever judgment in damages shall be awarded by the Court. Their motion for reconsideration having been denied by the trial court, respondents elevated the case to the Court of Appeals through a special civil action for *certiorari* under Rule 65 of the Rules of Court, to annul and set aside the order of the trial court, with prayer for a restraining order/preliminary injunction. On September 4, 1986, the Court of Appeals dismissed the petition for lack of merit. Upon denial of their motion for reconsideration, respondents filed the instant petition raising the sole issue of whether or not a party can file a complaint without specifying the amount of damages he is claiming and as a result defer the payment of the proper fees until

after trial on the merits.

On April 10, 1989, this Court promulgated its Decision in G.R. No. 76119 entitled "Pilipinas Shell Petroleum Corp. v. Court of Appeals,"<sup>[1]</sup> where it made the following pronouncement:

(N)owhere can a justification be found to convert payment of docket fees to something akin to a contingent fee which would depend on the result of the case. Under the circumstances, the Court would stand to lose the filing fees should the party be later adjudged to be not entitled to any claim at all.

Filing fees are intended to take care of court expenses in the handling of cases in terms of cost of supplies, use of equipments, salaries and fringe benefits of personnel etc., computed as to man hours used in handling of each case. The payment of said fees therefore, cannot be made dependent on the result of the action taken, without entailing tremendous losses to the government and to the judiciary in particular.

Citing the case of *Sun Insurance Office Ltd. vs. Hon. Maximiano Asuncion*,<sup>[2]</sup> this Court reiterated the following rules concerning payment of docket fees:

- (1) *It is not simply the filing of the complaint or appropriate initiatory pleading, but the payment of the prescribed docket fee, that vests a trial court with jurisdiction over the subject matter or nature of the action. Where the filing of the initiatory pleading is not accompanied by payment of the docket fee, the court may allow payment of the fee within a reasonable period of time but in no case beyond the applicable prescriptive or reglementary period.*
- (2) The same rule applies to permissive counterclaims, third-party claims and similar pleadings, which shall not be considered filed until, and unless the filing fee prescribed therefor is paid. The court may also allow payment of the fee within a reasonable time but also in no case beyond its applicable prescriptive or reglementary period.
- (3) Where the trial court acquires jurisdiction over a claim by the filing of the appropriate pleading and payment of the prescribed filing fee but, subsequently, the judgment awards a claim not specified in the pleading, or if specified, the same has been left for determination by the court, the additional filing fee therefor shall constitute a lien on the judgment. It shall be the responsibility of the Clerk of Court or his duly authorized deputy to enforce said lien and assess and collect the additional fee.

The dispositive portion of said decision reads as follows:

*PREMISES CONSIDERED, (1) the decision of the Court of Appeals is REVERSED and SET ASIDE; (2) the order of respondent Judge dated July 11, 1985 is REINSTATED; (3) the case is REMANDED to the trial court; (4) the proceedings in Civil Case no.45-0-88 are ordered RESUMED upon payment of all lawful fees (as assessed by the Clerk of Court of said Court) by private respondent or upon exemption from payment thereof upon proper application to litigate as a pauper; and (5) the temporary restraining order issued by the Court on November 18, 1986 will be deemed LIFTED should order no. 4 be complied with.*

SO ORDERED.<sup>[3]</sup>

On May 22, 1989, petitioner filed an application as pauper litigant.<sup>[4]</sup> In the meantime, petitioner had paid the following amounts as partial payments for docket fees to the court a quo:

May 23, 1989 - P 5,000.00Scä

September 28, 1989 - P 5,000.00

December 13, 1989 - P20,000.00

December 14, 1989 - P20,000.00<sup>[5]</sup>

While petitioner's motion to litigate as a pauper was pending,<sup>[6]</sup> he filed an amended complaint on March 29, 1990 reducing his claim against respondents from P236,572,350.00 to P162,572,000.00. This was admitted by respondent Court.<sup>[7]</sup> On June 15, 1990, petitioner's motion to litigate as pauper was denied.<sup>[8]</sup> Respondents, on the other hand, filed on July 21, 1990 an "Ex-Cautela Motion to Dismiss Amended Complaint" alleging that the action for damages had already prescribed and that the trial court no longer had jurisdiction to entertain the case. The Ex-Cautela Motion to Dismiss, however, was denied by the trial court in its order dated February 11, 1991.<sup>[9]</sup> The respondents filed a motion for reconsideration of the order denying the motion to dismiss amended complaint but the same was denied on December 23, 1992. Thus, they appealed to the Court of Appeals by way of petition for *certiorari*. The Court of Appeals dismissed the petition on the rationale that the admission of the amended complaint was done merely to implement the judgment in G.R. No.76119 which had already become final. Respondents moved for a reconsideration of the Court of Appeal's decision but the motion was denied. Respondents elevated the case to the Supreme Court but the same was dismissed "for having been filed late and the docket fees also paid late."<sup>[10]</sup> Their motion for reconsideration was also denied.

Meanwhile, herein petitioner filed a motion for leave to file a second amended complaint on June 7, 1991 which was opposed by the respondents. The trial court however admitted the second amended complaint in an order dated April 27, 1992.<sup>[11]</sup> The respondents filed a motion for reconsideration of the trial court's order which was denied. On appeal to the Court of Appeals, the said order was reversed